

DEPARTMENT OF
ECOLOGY
State of Washington

Water Quality Program
Financial Assistance
State Fiscal Year 2016
Applicant Training Workshops



Contact Information

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WELCOME!!



- Facility basics
- Introduce Ecology FMS and Regional staff
- Our audience

Today's Schedule



- ~9:00 Program Overview
- ~9:45 Demonstration of EAGL (Ecology Administration of Grants and Loans) System
- ~10:30 Break
- ~10:45 Breakout Sessions (project eligibility; key considerations when applying; application prerequisites):
 - Applicants with facility projects seeking SRF loans
 - Applicants with stormwater projects seeking SFAP grants
 - Applicants with nonpoint activities projects seeking Section 319/Centennial grants
- ~1:00 Done

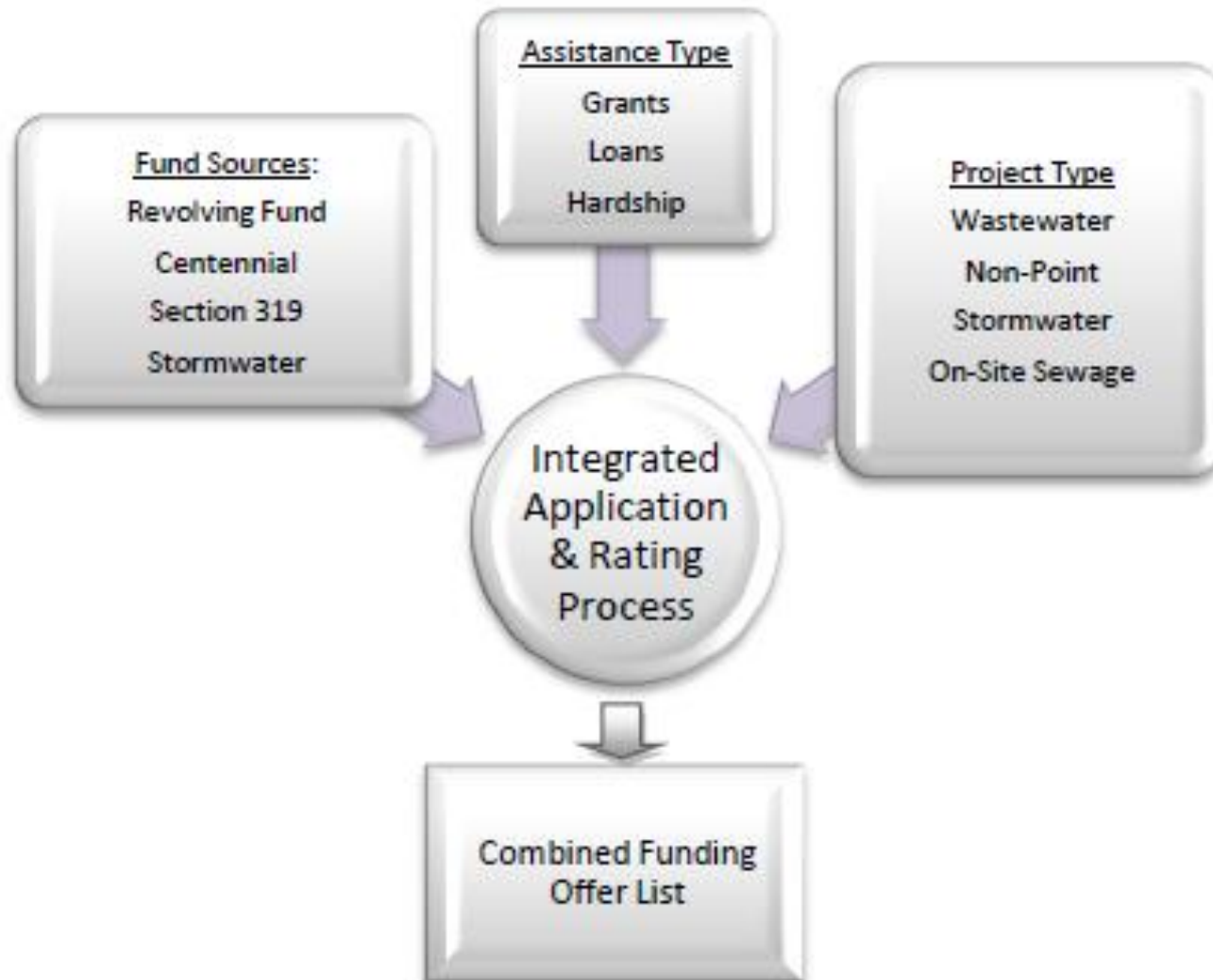
Water Quality Program Goals

- **Ecology's Water Quality Program goals guide the funding programs and eligibility**
 - **To prevent and clean up water pollution**
 - **To help communities make sustainable choices that reduce and prevent water quality problems**
 - **To provide water quality partners with technical and financial assistance**

Funding Sources

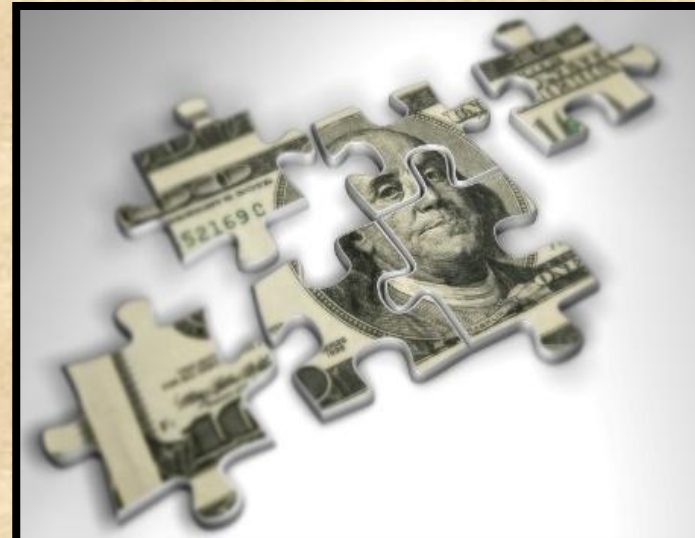
- **Water Pollution Control Revolving Fund (Revolving Fund, State Revolving Fund, or SRF)**
- **Stormwater Financial Assistance Program (SFAP)**
- **Centennial Clean Water Program (Centennial)**
- **Clean Water Act Section 319 Program (Section 319 or 319)**

Integrated Funding Program



State Revolving Fund (SRF)

- Subsidized loan program
- Funded through:
 - Federal grants
 - 20% state match
 - Repaid principal and interest
- Funds facilities and activities projects
- Average: ~\$66M/year



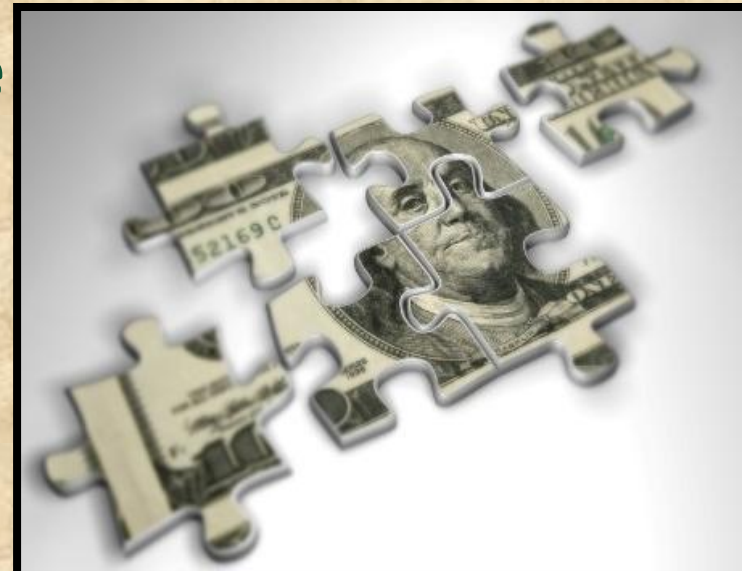
SRF Interest Rates

- Based on tax-exempt municipal bonds rate
- For SFY16:
 - 6-20 year loan: 2.4% (60% of MR)
 - 1-5 year loan: 1.2% (30% of MR)

MR = Market Rate for tax-exempt municipal bonds

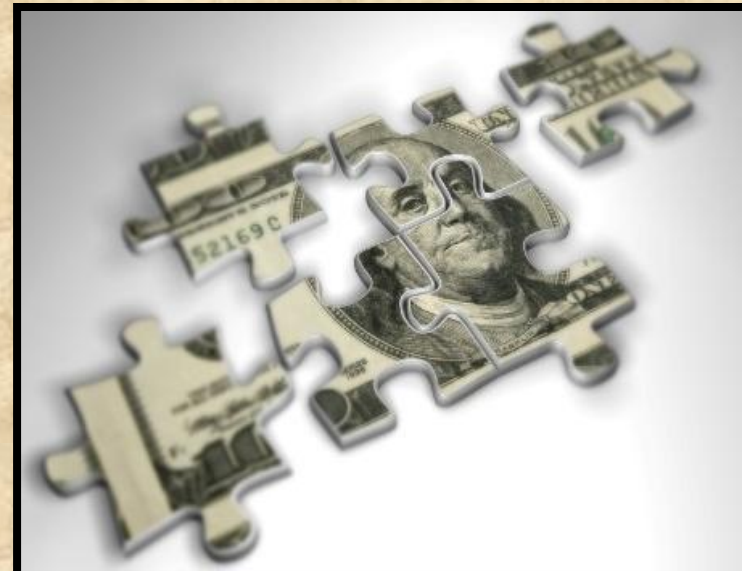
Stormwater Financial Assistance Program (SFAP)

- State grant program
- Funded from state sources
- Funds stormwater projects not explicitly required by NPDES permits
 - Cities and Counties eligible
- 1st time in the integrated program
- ~\$66M available



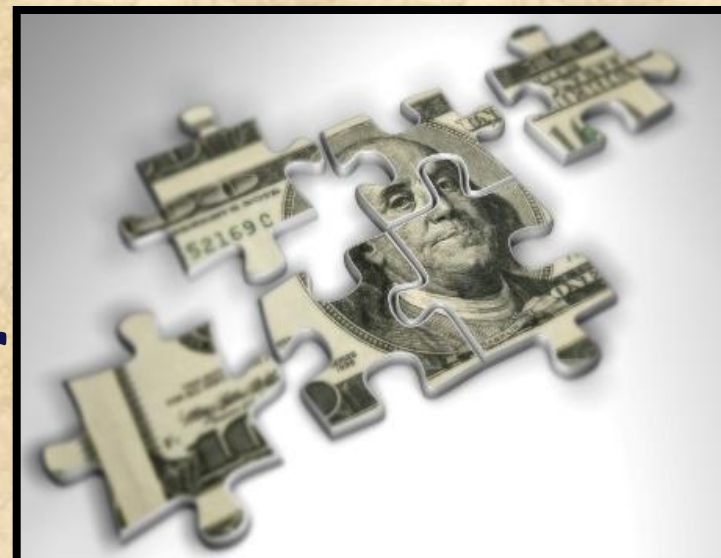
Centennial Program

- State grant program
- Funded from state sources
- Funds hardship facilities and nonpoint activities projects
- Average: ~\$30M/year



Section 319 Program

- **Funded through:**
 - **Federal grant**
 - **40% state match**
- **Funds nonpoint source pollution control activities projects**
- **Average: ~\$1.9M/year**



Who is Eligible to Apply?

- Local Governments
- Federally Recognized Tribes
- Special Purpose Districts
- Non-profits (Section 319 only)



Types of Projects Funded

- **Wastewater Facility Projects**
- **Stormwater Facility Projects**
- **Stormwater Activity Projects**
- **Nonpoint Source Activity Projects**
- **Onsite Sewage System Projects**
- **Plus, special categories:**
 - **Hardship**
 - **Preconstruction**
 - **Green Project Reserve (GPR)**

Eligible Wastewater Facilities Projects (SRF & Centennial [hardship construction])

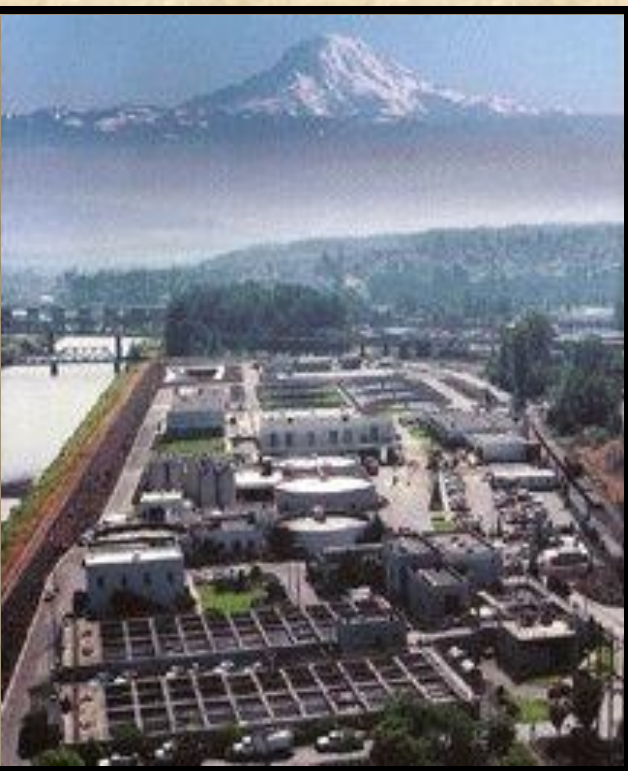
■ Planning

- Comprehensive sewer planning
- Site-specific planning
- Environmental review
- Value engineering
- Feasibility studies

■ Design

■ Construction (including administration, change orders, bid overruns, supplies/tools)

- Upgrades, expansion, new
- Collection sewers and pump stations
- Infiltration and inflow correction
- Combined sewer overflow abatement
- Large onsite systems (LOSS)



Eligible Stormwater Facility Projects (SRF & SFAP [if not required by permit])

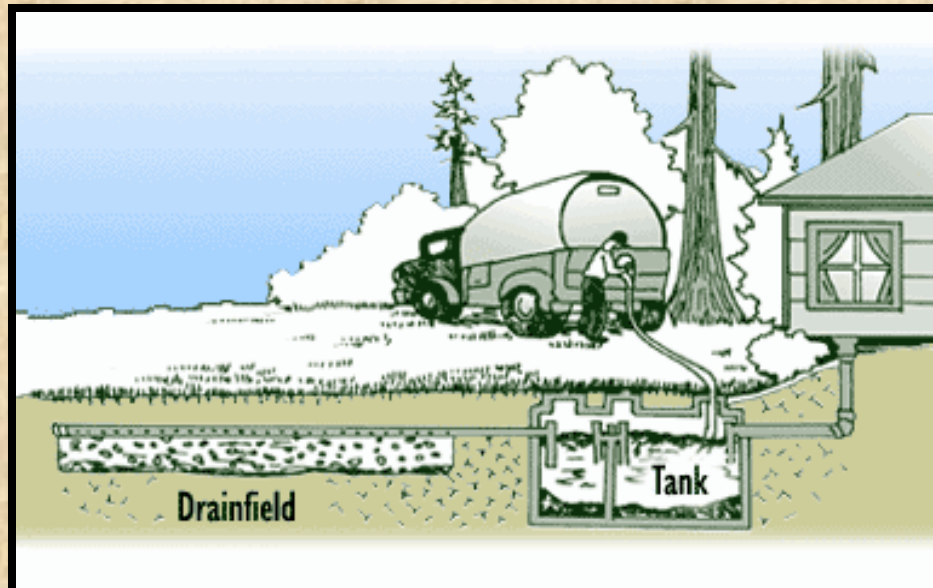
- Planning, design, and construction of Stormwater Infrastructure
- Implementation of low impact development (LID) techniques
- Any other work required by a stormwater NPDES permit

➤ **SRF-only**



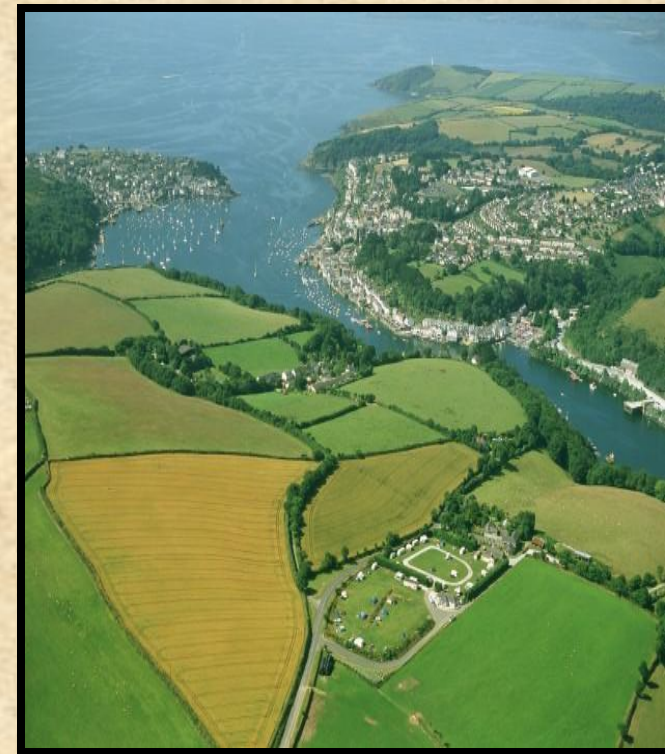
Eligible Onsite Sewage System Projects (SRF & Centennial)

- Planning, surveys, and public education and outreach
- Local loan programs for repair and replacement of residential or small commercial systems



Eligible Nonpoint Source Activities Projects (SRF, Centennial, & Section 319)

- Implementation of approved best management practices (BMPs)
- Public outreach and education
- Lake/riparian/wetland restoration
- Groundwater/aquifer/wellhead protection
- Total Maximum Daily Load (TMDL) support
- Watershed planning
- Water quality monitoring
- Stormwater planning and outreach in non-permitted communities



Generally Ineligible Projects

- Non clean-water projects (e.g. roads, bridges, drinking water systems)
- Individual homeowner work on private property
- Industrial projects
- Water quantity or flood control
- Operation and maintenance costs

SRF & Centennial: Hardship – Wastewater Treatment Facility Construction

- For wastewater facility construction projects in small, financially distressed communities
- Criteria:
 - $\leq 25,000$ people
 - Sewer fees for existing residential ratepayer $\geq 2\%$ of median household income (MHI) without subsidy
- For existing residential need
 - Standard loan for rest of project
- Subsidy options:
 - Centennial Grant
 - As low as 0% interest rate loans

SRF & Centennial: Hardship – Onsite Sewage Systems

- For local loan repair and replacement program
- A combination of grants and subsidized loans
 - Grants up to \$500K
 - Final interest rate reduced if loans are made to homeowner with incomes <80% of the county MHI



SRF: Preconstruction & Hardship

- For wastewater/stormwater facility planning and design in small, less affluent communities
 - Comprehensive Sewer Planning
 - Feasibility Studies
 - Site-specific Facility Planning
 - Environmental Review
 - Value Engineering
 - Pre-design Reports
 - Design
- Criteria for funding:
 - $\leq 25,000$ population
 - $MHI \leq$ State MHI
- Criteria for hardship (up to 50% forgivable principal):
 - $\leq 25,000$ population
 - $MHI \leq 80\%$ State MHI



SFAP: Hardship

■ Criteria for hardship:

- ≤25,000 population
- MHI ≤80% State MHI

■ Subsidy:

- Match reduced from 25% to 15%

Green Project Reserve (GPR)



- EPA may require that 10% of the EPA Grant for SRF be directed to GPR projects
- Can be a stand-alone or part of a larger project
- Must be eligible for SRF funding, willing to accept a loan, and meet EPA's criteria for:
 - Green Infrastructure
 - Energy Efficiency
 - Water Efficiency
 - Environmentally Innovative
- May include 25% forgivable principal loan

Estimated Funding¹

Fund Source	SFY15	SFY16
SRF Loans (w/possible forgivable principal)	\$180 million	\$90 million²
SFAP Grants	\$---	\$66 million
Centennial Grants	\$22 million	\$30 million³
Section 319 Grants	\$1.6 million	\$1.6 million⁴

1 = Subject to change based on State Legislature appropriations for the 2015-17 Biennial Budget and Congressional appropriations for the Federal Budget

2 = Based partially on the Federal Fiscal Year 2014 Capitalization Grant

3 = Based on 2015-17 Biennial Budget request

4 = Based on the Federal Fiscal Year 2014 Federal Grant

SFY16 Estimated Funding & Set-asides

Revolving Fund	\$90,000,000
10% of Federal Grant for GPR (Facility or Activity)	\$2,500,000
75% for Facility Loans	\$67,500,000
20% for Nonpoint Activity Loans	\$18,000,000
5% for Preconstruction Loans	\$4,500,000
Additional Subsidization (Forgivable Principal)	\$1,500,000
SFAP	\$66,000,000
100% for Stormwater Grants to Cities and Counties	\$66,000,000
Centennial	\$30,000,000
33% for Hardship Facilities Grants	\$10,000,000
33% for Nonpoint Source Activities Grants	\$10,000,000
33% Competitive Grants	\$10,000,000
Section 319	\$1,600,000
100% for Nonpoint Source Activities Grants	\$1,600,000

Funding Ceiling Amounts

Revolving Fund

50% of the funding in any category per recipient

20% of Preconstruction set-aside per recipient

Centennial Hardship Facility Construction Subsidy

\$5 million per project

SFAP Grants

\$5 million per recipient

\$250,000 per planning or design project (counts against the \$5M)

Centennial/Section 319 Grants

\$250,000 per project if 25% match is cash + in-kind, etc.

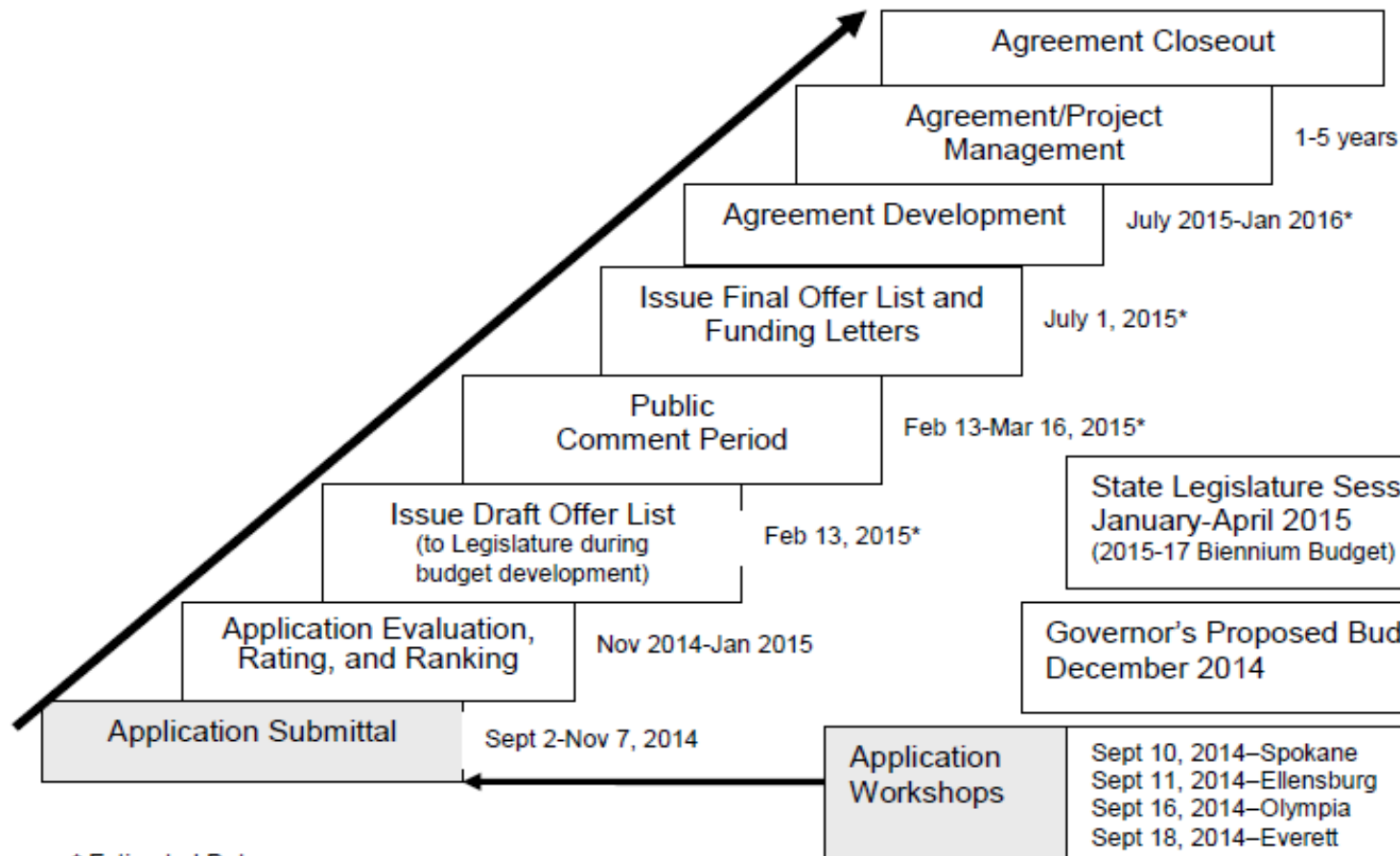
\$500,000 per project if 25% match is cash

Match Requirements for Grants

Source	Match
Section 319 – Nonpoint	25%
Centennial – Nonpoint	25%
Centennial – OSS Repair and Replacement	50%
Centennial – Hardship Wastewater Facility Construction	0%
SFAP – Non-hardship	25%
SFAP – Hardship	15%

SFY16 Funding Cycle

Fiscal Year 2016 Annual Water Quality Funding Cycle Process Steps



Key Dates



- **November 7, 2014: applications via EAGL due**
- **February 2015: draft funding list available**
- **April 2015: expected final budget**
- **July 1, 2015: final list, formal offers, money available from legislature**
- **January 31, 2016: agreements signed**
- **April 30, 2016: work underway**
- **July 1, 2018: activity projects complete (3 years)**
- **July 1, 2020: facility projects complete (5 years)**

Rating Criteria and Points

Rating Criteria	Points Available	Points Required
Scope of Work Form	0 – 250	---
Task Costs General Form	0 – 150	---
Water Quality and Public Health Improvements Form	0 – 250	125
Coordination with State and Federal Priorities Form	0 – 100	---
Project Team Form	0 – 50	---
Project Development, Local Support, and Past Performance Form	0 – 75	---
Readiness to Proceed Form	0 – 75	---
Financial Hardship Form	0 or 50	---
Total	0 – 1,000	600

For Additional Information

- <http://www.ecy.wa.gov/programs/wq/funding/funding.html>
- <http://www.ecy.wa.gov/programs/wq/funding/cycles/FY2016/index.html>
 - Funding Guidelines
 - Draft and Final Offer Lists
 - EAGL Application Prep Tool
- <http://www.ecy.wa.gov/programs/wq/funding/Training/TrainingMain.html>
 - Workshop PowerPoint Presentations

A high-speed photograph of a water droplet falling into a pool of water. The droplet is captured mid-fall, just above the point of impact, creating a series of concentric ripples that spread outwards. The water is a deep blue color. The word "QUESTIONS?" is overlaid in the center of the image in a bold, red, italicized font.

QUESTIONS?